

BUDGET, FINANCE & INVESTMENT COMMITTEE

May 18, 2010

5:30 P.M.

Courthouse

MINUTES:

<u>Members Present:</u>	<u>Others Present:</u>	<u>Others Present:</u>	<u>Others Present:</u>
Comm. Bob Bullen	Ernest Burgess	Dana Garrett	Heather Lanier
Comm. Joe Frank Jernigan	Comm. Anthony Johnson	Tracy Hill	Carol Kersey
Comm. Will Jordan	Lisa Nolen	Mike Nunley	Duane Hicky
Comm. Robert Peay, Jr.	Lynn Duke	Mark King	Patricia Metcalf
Comm. Steve Sandlin	Doug Demosi	Jan Hampton	Ben Cates
Comm. Doug Shafer	Delwyn Corbitt	George Cunningham	Anthony Tuggle
Comm. Joyce Ealy	David Jones	Rita Shacklett	Joe Jack Dement

Charles Gentry, Delia Goodman, Dr. Van West, Kathleen Herzog, Paul Latture, Mona Herring, Holly Sears, Laura Messick, Tonya Hobbs, Dawn Eaton, Tom Kent, Linda Burt, Donna Bebout, Deborah Johnson, Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with all members being present. The purpose of the meeting was to continue the 2010-11 General Fund budget review, and to consider the 2010-11 budgets for the Ambulance Service Fund, the Industrial/Economic Development Fund, and the Development Tax Fund.

APPROVE MINUTES:

The minutes of the May 11, 2010 Budget Committee meeting were presented for approval.

Comm. Shafer moved, seconded by Comm. Peay to approve the minutes as presented. The motion passed unanimously by acclamation.

2010-11 GENERAL FUND BUDGET REVIEW

JUVENILE DETENTION:

At the meeting on May 17, the committee deferred action on the 2010-11 Juvenile Detention Center budget totaling \$1,792,678 as recommended by the County Mayor. At that meeting Mrs. Duke had requested that a part time employee be transferred to full time status.

Ms. Duke explained that she was not asking for an additional \$5,000. She stated that she had reduced her budget from the previous year by \$5,000. She stated that the \$5,000 it would take to make the part time employee a full time employee was basically a wash. She stated that the budget only appeared to be increased when considering the step increases and the one percent increase on the pay plan, which all of the other departments were also receiving.

The Finance Director advised that from the Budget Committee’s perspective it would take an additional \$5,000 to make the employee a full time employee.

Mayor Burgess stated that Mrs. Duke’s comments were true. He stated that he reviewed the minutes of the Public Safety Committee, and it was discussed, but the Public Safety Committee did not address the request. Mr. Burgess stated that making the employee a full time employee would not be a net increase of 10 hours a week, because the person would have to be paid for the sick leave, annual leave, and holiday time they used. He stated it would really only net about six hours a week on the average.

Mayor Burgess explained that at the Correctional Work Center a lieutenant position had been vacant for some time. He asked Mrs. Duke to consider not filling a vacant lieutenant position in her department. He stated if she was agreeable to not filling the position, he would agree to make the part time employee a full time employee.

Comm. Sandlin asked Mrs. Duke how long it would be before the lieutenant position would be filled.

Mrs. Duke stated that she would be interviewing tomorrow, and that she expected to make an announcement at the beginning of next week. She advised that the position had been vacant for about two weeks, and she would be promoting from within her budget.

Comm. Sandlin asked if the Juvenile Detention Center was at capacity.

Mrs. Duke advised the center was not at capacity, and that there were currently 20 inmates in the facility. She advised capacity was 46 cells and if the dorms were included the capacity went up to 64.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the County Mayor's recommendation for the 2010-11 Juvenile Detention Center budget totaling \$1,792,678. The motion passed unanimously by roll call vote.

Chairman Ealy advised that she had several requests to change the order of the agenda and deal with the Miscellaneous Category next. There were no objections.

MISCELLANEOUS:

The County Mayor's recommendation for the 2010-11 Miscellaneous Category totaled \$3,713,315. The committee addressed Account 101-58900-316, Contributions, which was recommended at \$412,780 and included funding for the non-profit organizations. Chairman Ealy called the name of each agency and asked a representative to stand and be recognized so that the committee could ask questions or so that the individuals could make comments. The recommended funding was as follows: Domestic Violence Program - \$31,200; Exchange Club Family Center - \$20,000; La Vergne Senior Citizens - \$42,500; Mid-Cumberland Human Resource Agency - \$56,023; Pregnancy Support Center - \$1,500; Relax and Ride - \$11,557; Rutherford County Primary Care & Hope Clinic - \$50,000; St. Clair Street Senior Center - \$155,000; and Smyrna Senior Citizens - \$45,000.

Chairman Ealy advised that funding for these agencies had been historically in the county's budget, and that no new agencies were added this year.

Comm. Jernigan moved, seconded by Comm. Jordan to approve the County Mayor's recommendation of \$412,780 for the nine nonprofit agencies as listed above.

Comm. Shafer asked about the increased amount for the Relax and Ride Program.

Mayor Burgess advised that the amount was calculated on a per capital basis, and that was Rutherford County's share.

Comm. Bullen asked why the La Vergne Senior Citizens were not recommended at their requested amount of \$44,000.

Mayor Burgess advised that a few agencies asked for an increase, but he had recommended the same funding as the prior year. The Exchange Club Family Center also asked for increased funding to \$22,000, and Pregnancy Support asked for increased funding to \$3,000.

Ms. Sandra Bebout, La Vergne Senior Citizens was requested to address the committee. She explained that there had been a tremendous increase in their membership. She stated that the center would be renovated by adding up to 600 square feet more. She stated that they were also offering more programs and reaching out to a lot more seniors. She stated that she appreciated the contribution from the county.

Comm. Jordan stated that the St. Clair Street Senior Center and the Smyrna Senior Citizens did not request additional money. He stated that he was sure that those organizations could use more money, but it might have been relayed to them not to ask for additional funding.

Comm. Bullen stated that he saw no reason to squeeze senior citizens.

Ms. Tonya Hobbs, Exchange Club Family Center addressed the committee. She stated that according to the latest statistics from the Tennessee Commission on Children and Youth, Rutherford County had an

800% increase in child abuse cases from 2003 to 2007. She stated that they were seeing an increase in the seriousness of cases of child abuse. She stated that they were seeing a much higher demand for their services. She stated that they were the only nonprofit provider of the divorcing parents' class that is required by the state.

Ms. Laura Messick, Pregnancy Support Center, addressed the committee advising that the Pregnancy Support Center had experienced a large increase in the number of clients they were seeing. She stated that they handled about 900 more clients last year than the previous year. She stated that they were teaching parenting skills, and they were providing material assistance for several thousand women who could not afford to purchase diapers, formula, clothes, and other necessities for their babies. They also provide abstinence education for 7,000 students in the Rutherford County School System.

Comm. Sandlin moved, seconded by Comm. Jernigan to amend the motion to add an additional \$5,000 with \$2,000 going to the Exchange Club Family Center for a total of \$22,000; an additional \$1,500 for the La Vergene Senior Citizens for a total of \$44,000; and an additional \$1,500 for the Pregnancy Support Center for a total of \$3,000.

Comm. Peay stated that the nonprofit agencies saved Rutherford County a lot of money. He stated that Rutherford County would be spending a lot of money if the agencies had not been there to intercede.

Mayor Burgess stated that the agencies were not communicated with as to not requesting additional funding. He stated that new applicants were told that they could submit an application, and the applications were accepted, but he did not tell them that they were likely to receive a recommendation for funding.

Following discussion the amendment to the motion to add an additional \$5,000 Account 101-58900-316, Contributions, with an additional \$2,000 for the Exchange Club Family Center for a total of \$22,000; and additional \$1,500 for the La Vergne Senior Citizens for a total of \$44,000; and an additional \$1,500 to the Pregnancy Support Center for a total of \$3,000 passed unanimously by roll call vote.

Comm. Jordan stated that he would have rather seen a percentage increase across the board. He stated that the other organizations did great things.

Following discussion, the original motion as amended to approve funding in the total amount of \$417,780 for Account 101-58900-316, Contributions, passed unanimously by roll call vote.

The County Mayor's recommendation for the 2010-11 Miscellaneous Category, 101-58900, totaled \$3,713,315 plus the additional \$5,000 as approved by the committee for a revised total of \$3,718,315.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the 2010-11 Miscellaneous budget totaling \$3,718,315 as revised. The motion passed unanimously by acclamation.

PLANNING & ENGINEERING:

Mr. Doug Demosi, Planning Director, and Mr. Delwyn Corbitt, County Engineer, were present to answer questions regarding the 2010-11 Planning Department budget.

The mayor's recommendation totaled \$694,953. Mayor Burgess explained that Account 101-51720-161, Secretary, included funding for the Environmental Secretary. He explained that the position would be shared by the Planning Department and the Environmental Department. He advised that the Environmental Office would be open every day from 8:00 AM to 11:30 AM at a minimum. He explained that a small amount of funding had been left in the Environmental budget to cover the communications cost.

Mayor Burgess explained that the state had cut back on the Environmental Department, and there were only two employees in the field, one of whom had been out on sick leave for a while. He reported that for the past few years, there had been a local septic fee that was collected. The application process is now available online, and the state does not think that Rutherford County should be collecting a local

fee. The state has offered to pay Rutherford County a lease payment for the office space, which amounts to approximately 8% of the fees that the state collects.

Comm. Jordan expressed his concern about the Environmental Office not being open full time. He asked Mr. Demosi if this arrangement would work.

Mr. Demosi stated that he believed that they could make it work. Mr. Demosi advised that he accepted the County Mayor's recommendation.

Following review, Comm. Jernigan moved, seconded by Comm. Shafer to approve the 2010-11 Planning Department budget totaling \$694,953 as recommended by the County Mayor. The motion passed unanimously by acclamation.

ENVIRONMENTAL:

The mayor's recommendation for the 2010-11 Environmental budget totaled \$2,000 to cover the cost of the phones.

Comm. Jordan moved, seconded by Comm. Shafer to approve the 2010-11 Environmental budget totaling \$2,000 as recommended by the County Mayor. The motion passed unanimously by acclamation.

STORM WATER MANAGEMENT:

The County Mayor's recommendation for the 2010-11 Storm Water Management budget totaled \$147,274.

Mr. Corbitt advised that he agreed with the County Mayor's recommendation.

Comm. Jernigan moved, seconded by Comm. Peay to approve the 2010-11 Storm Water budget totaling \$147,274 as recommended by the County Mayor. The motion passed unanimously by acclamation.

BUILDING CODES:

Mr. David Jones, Building Codes Director, was present to answer questions regarding the 2010-11 Building Codes Department budget.

The mayor's recommendation totaled \$742,378. Mayor Burgess advised that Account 101-54510-106, Deputies, reflected the elimination of one position, which was currently vacant.

Mr. Jones advised that he agreed with the mayor's recommendation.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the 2010-11 Building Codes Department budget totaling \$742,378 as recommended by the County Mayor. The motion passed unanimously by acclamation.

HEALTH DEPARTMENT:

Ms. Dana Garrett, Health Department Director, was present to answer questions regarding the 2010-11 Health Department budget.

The mayor's recommendation totaled \$644,943. Mayor Burgess advised that this was the locally funded budget for the Health Department. Mayor Burgess advised that the budget included an additional \$10,000 each for the Employee Insurance and the Utilities Account. Otherwise, the budget only reflected the necessary increase for the salary steps.

Ms. Garrett advised that she accepted the mayor's recommendation.

Comm. Bullen moved, seconded by Comm. Jernigan to approve the 2010-11 Health Department budget totaling \$644,943 as recommended by the County Mayor. The motion passed unanimously by acclamation.

DENTAL:

The mayor's recommendation for the 2010-11 Dental Health Program budget totaled \$12,400.

Ms. Garrett advised that the funds would be used to purchase all of the medical and dental supplies needed to run a dentist office. She advised that the dentist position had been vacant, but interviews had been done and she hoped to have a dentist position in place soon. She advised that she accepted the mayor's recommendation.

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the 2010-11 Dental Health Program budget totaling \$12,400 as recommended by the County Mayor. The motion passed unanimously by acclamation.

OTHER LOCAL HEALTH:

The mayor's recommendation for the 2010-11 Other Local Health budget totaled \$1,784,860. Mayor Burgess advised that this budget was totally funded by the state. The budget reflected a reduction of \$490,940.

The Finance Director reminded the committee that this budget was amended during the current fiscal year to provide funding to hire nurses to administer the H1N1 vaccinations, and those costs were not included in the 2010-11 budget.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the 2010-11 Other Local Health budget totaling \$1,784,860 as recommended by the County Mayor. The motion passed unanimously by acclamation.

PET ADOPTION & WELFARE SERVICES:

Ms. Tracy Hill, PAWS Director, was present to answer questions regarding the 2010-11 Pet Adoption & Welfare Services budget.

The mayor's recommendation totaled \$1,364,524, which was an increase of \$27,123 over the current year budget. The primary increase was including funding for a veterinarian for a full year compared to a half year for 2009-10. Mayor Burgess also explained that the budget included funding for building improvements in case a veterinarian was hired.

Ms. Hill advised that she accepted the mayor's recommendation.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the 2010-11 Pet Adoption & Welfare Services budget totaling \$1,364,524 as recommended by the County Mayor. The motion passed unanimously by acclamation.

COMMUNITY CARE:

Mr. Mark King, Community Care Director, was present to answer questions regarding the 2010-11 Community Care budget.

The mayor's recommendation totaled \$7,500.

Mr. King advised that he accepted the mayor's recommendation.

Comm. Bullen moved, seconded by Comm. Peay to approve the 2010-11 Community Care budget totaling \$7,500 as recommended by the County Mayor. The motion passed unanimously by acclamation.

TENNESSEE REHABILITATION CENTER AT MURFREESBORO:

Ms. Jan Hampton, Manager Tennessee Rehabilitation Center at Murfreesboro, was present to answer questions regarding the 2010-11 budget.

The mayor's recommendation totaled \$43,000. Mayor Burgess noted that Ms. Hampton had requested \$43,500, and he would be agreeable to increasing the amount of the budget to \$43,500 if the committee wanted to increase it.

Ms. Hampton asked the committee to remember that the additional \$500 would translate into a federal match in excess of \$1,600. She stated that they were putting a lot of people to work. She stated that she believed the increased funding would pay off.

Comm. Jordan moved, seconded by Comm. Pay to approve \$43,500 for the 2010-11 Tennessee Rehabilitation Center budget. The motion passed unanimously by acclamation.

SANITATION & WASTE REMOVAL:

The mayor's recommendation for the Sanitation & Waste Removal budget totaled \$30,000. Mayor Burgess noted that this budget funded the contract for Griffin Industries, and he requested that the funding remain in the budget even though it may or may not be for Griffin Industries.

Comm. Peay moved, seconded by Comm. Jernigan to approve the 2010-11 Sanitation & Waste Removal budget totaling \$30,000 as recommended by the County Mayor. The motion passed unanimously by acclamation.

OTHER PUBLIC HEALTH & WELFARE:

The mayor's recommendation for the Other Public Health & Welfare budget totaled \$167,600. This budget provides funding to pay for autopsies and the medical examiner.

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the 2010-11 Other Public Health & Welfare budget totaling \$167,600 as recommended by the County Mayor. The motion passed unanimously by acclamation.

ADULT ACTIVITY CENTER:

Mr. George Cunningham, Assistant Director of the Adult Activity Center, was present to answer questions regarding the 2010-11 Adult Activity Center budget.

The mayor's recommendation totaled \$32,000.

Mr. Cunningham advised that they accepted the mayor's recommendation.

Comm. Bullen moved, seconded by Comm. Jernigan to approve the 2010-11 Adult Activity Center budget totaling \$32,000 as recommended by the County Mayor. The motion passed unanimously by acclamation.

RETIRED SENIOR VOLUNTEER PROGRAM:

The mayor's recommendation regarding the 2010-11 Retired Senior Volunteer Program was \$1,500, which has been the same amount for many years.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the 2010-11 Retired Senior Volunteer Program budget totaling \$1,500 as recommended by the County Mayor. The motion passed unanimously by acclamation.

LINEBAUGH LIBRARY:

Mrs. Rita Shacklett, Linebaugh Library Director, and Ms. Heather Lanier were present to answer questions regarding the 2010-11 Linebaugh Library budget.

The mayor's recommendation totaled \$1,080,277, which was the same as the requested amount and represented an increase over the previous year of \$48,129. Mayor Burgess advised that he had met with Mrs. Shacklett early in the budget process, and he advised her that if an increase for county employees was included in the budget, that he would try to include an increase for the library.

Mrs. Shacklett advised that she agreed with the mayor's recommendation.

Comm. Peay moved, seconded by Comm. Jernigan to approve the 2010-11 Linebaugh Library budget totaling \$1,080,277 as recommended by the County Mayor. The motion passed unanimously by acclamation.

RECREATION:

Mr. Ben Cates, Recreation Director, was present to answer questions regarding the 2010-11 Recreation budget.

The mayor's recommendation totaled \$365,955.

The Finance Director explained that Account 101-56700-316, Contributions, recommended at \$91,000 was the county's contribution for the Stones River Greenway through the Murfreesboro Park's & Recreation budget.

Mr. Cates advised that he agreed with the mayor's recommendation.

Comm. Jernigan moved, seconded by Comm. Shafer to approve the 2010-11 Recreation budget totaling \$365,955 as recommended by the County Mayor. The motion passed unanimously by acclamation.

AGRICULTURE EXTENSION:

Mr. Anthony Tuggle, Agriculture Extension Director, was present to answer questions regarding the 2010-11 Agriculture Extension Service budget.

The mayor's recommendation totaled \$649,407. Mayor Burgess advised that he was recommending a revision to the budget increasing Account 101-57100-169 - Part Time Personnel, from \$36,707 to \$42,200, Account 101-57100-201, Social Security, from \$12,540 to \$12,880, and Account 101-57100-212, Employer Medicare, from \$2,940 to \$3,020. The total revised recommendation was \$655,320.

Mr. Tuggle advised that he agreed with the mayor's recommendation.

Comm. Jernigan moved, seconded by Comm. Jordan to approve the 2010-11 Agriculture Extension Service budget totaling \$655,320 as revised by the County Mayor. The motion passed unanimously by acclamation.

SOIL CONSERVATION:

Mr. Joe Jack Dement, Chairman of the Rutherford County Soil Conservation, was present to answer questions regarding the 2010-11 Soil Conservation budget.

The mayor's recommendation totaled \$113,433.

Mr. Dement advised that he accepted the mayor's recommendation, and that they were going to try to hold everything in line and do more for less.

Comm. Jernigan moved, seconded by Comm. Jordan to approve the 2010-11 Soil Conservation budget totaling \$113,433 as recommended by the County Mayor. The motion passed unanimously by acclamation.

AMBULANCE SERVICE FUND:

Mr. Mike Nunley, Ambulance Service Director, was present to answer questions regarding the 2010-11 Ambulance Service Fund budget.

The Finance Director advised that the estimated revenue for the 2010-11 Ambulance Service Fund budget totaled \$10,354,408.

The mayor's recommendation for the Ambulance Service Fund expenditures totaled \$10,044,734. There are no new positions being recommended for the Ambulance Service Fund budget.

Mr. Nunley advised that funding for the In-Service Training Account was more, because 911 had donated \$20,000 for dispatch training.

Mayor Burgess advised that the largest increase was in the Employee Insurance Account. He explained that \$300,000 was requested for Motor Vehicles, and that his recommendation was zero, because it was hoped that the Christy Houston Foundation was contribute funds to purchase the ambulances before the end of the current fiscal year.

Mr. Nunley advised that he agreed with the mayor's recommendation. He explained that his only concern was with Account 118-55130-399, Other Contracted Services, recommended at \$4,300. Mr. Nunley's original request was for \$11,984.

The Finance Director advised that the Other Contracted Services line item did need to be adjusted.

Mayor Burgess agreed to increase Account 118-55130-399, Other Contracted Services, from \$4,300 to \$11,984. The revised total for the 2010-11 Ambulance Service Fund budget was \$10,052,418.

Mr. Nunley advised that the primary reason for the increase was that the Tennessee Department of Public Health, who licensed the ambulances, had tripled the charges.

Comm. Jernigan moved, seconded by Comm. Peay to approve the 2010-11 Ambulance Service Fund budget as revised totaling \$10,052,418. The motion passed unanimously by acclamation.

TOURISM:

Ms. Mona Herring, Chamber of Commerce, Dr. Van West, Heritage Center, and Ms. Kathleen Herzog, Main Street, Inc. were present to answer questions regarding their respective budgets, which are funded in the Tourism category.

The mayor's recommendation for the 2010-11 Tourism budget totaled \$313,000, which provided funding for the Chamber of Commerce in the amount of \$273,000 and was based on 30% of the Hotel/Motel Tax collections; \$15,000 for the Heritage Center; and \$25,000 for Main Street, Inc.

Dr. West provided brochures of "A Driving Tour" of Rutherford County, "In the Footsteps of Notable Women", and "Tennessee Civil War Trails".

Mrs. Herring, Dr. West, and Ms. Herzog advised that they accepted the mayor's recommendation for their respective budgets.

Comm. Bullen moved, seconded by Comm. Shafer to approve the 2010-11 Tourism budget with the Chamber of Commerce to receive 30% of the Hotel/Motel Tax collections estimated at \$273,000; the Heritage Center to receive \$15,000, and Main Street, Inc. to receive \$25,000 for a total of \$313,000 as recommended by the County Mayor. The motion passed unanimously by acclamation.

INDUSTRIAL/ECONOMIC DEVELOPMENT FUND:

Mr. Paul Latture, President Chamber of Commerce, and Ms. Holly Sears were present to answer questions regarding the 2010-11 funding for Destination Rutherford and the Economic Development Council.

The Finance Director advised that the revenue accounted for in the Industrial/Economic Development Fund was derived from the principal and interest payments on notes from Wherry Housing and the Smyrna/Rutherford County Airport Authority. The total estimated revenue for 2010-11 was \$104,761.

The proposed expenditures total \$219,858 with \$105,280 being for Destination Rutherford and \$96,500 for the Economic Development Council. The estimated expenditure for the Trustee's Commission was \$1,048 and \$17,030 was estimated for the Town of Smyrna's share for the Economic Development Council. The Finance Director also noted that \$109,500 in principal would be paid during the 2010-11 fiscal year.

Mr. Latture thanked the county for their prior support. He stated that the Chamber was encourage by what they were seeing in terms of the opportunity to create jobs and were optimistic about their ability to attract jobs.

Comm. Jernigan moved, seconded by Comm. Peay to approve the 2010-11 Industrial/Economic Development Fund budget with estimated revenue totaling \$104,761 and proposed expenditures totaling \$219,858 as recommended by the County Mayor. The motion passed unanimously by acclamation.

COUNTY GARAGE:

The mayor's recommendation for the 2010-11 County Garage budget totaled \$274,879. Mayor Burgess advised that the three employees at the County Garage did a lot of work and provided a great value to the county.

Comm. Jordan moved, seconded by Comm. Jernigan to approve the 2010-11 County Garage budget totaling \$274,879 as recommended by the County Mayor. The motion passed unanimously by acclamation.

EMPLOYEE BENEFITS:

The mayor's recommendation for the 2010-11 Employee Benefits budget totaled \$576,500.

The Finance Director advised that this budget provided funding for the pool of money used for Employee Insurance transfers in the amount of \$75,000; \$50,000 for Unemployment Compensation; \$175,000 for Other Fringe Benefits, which paid 50% of the retiree's health insurance; and \$276,500 for Workers' Compensation (OJI Program).

Comm. Jernigan moved, seconded by Comm. Peay to approve the 2010-11 Employee Benefits budget totaling \$576,500 as recommended by the County Mayor. The motion passed unanimously by acclamation.

PAYMENT TO CITIES:

The mayor's recommendation for the 2010-11 Payment to Cities budget totaled \$1,928,146. This budget provides funding to the Town of Smyrna for their share of the Nissan Payment-In-Lieu of Tax payment.

Comm. Jernigan moved, seconded by Comm. Jordan to approve the 2010-11 Payment to Cities budget totaling \$1,928,146 as recommended by the County Mayor. The motion passed unanimously by acclamation.

DEVELOPMENT TAX FUND:

The Finance Director advised that the estimated revenue for the 2010-11 Development Tax Fund totaled \$1,116,000. The proposed expenditures totaled \$2,129,160 with \$100,000 being appropriated for the consultant for the Planning Department; \$550,000, which reflected one half of the Development Tax collections to be paid to the General Debt Service Fund; \$65,000 for the building improvements at PAWS; \$160,000 for the GIS flyover; and \$325,000 for Sheriff's Department vehicles.

The Finance Director reminded the committee that several years ago \$975,000 was set aside as a designation in the Development Tax Fund to be used for debt service. She advised that the recommendation for the Development Tax Fund proposed to release the designation to be used for capital projects, with \$315,000 being appropriated for the Public Safety Communication Project and \$603,000 for the County Fire and Rescue Department. Using the designation of \$975,000 to help fund the Development Tax Fund budget, would draw down the fund balance to an estimated \$3,135,840. The Finance Director advised that the Debt Service Fund was in good shape; and therefore it was being requested to release the designation to be used for capital projects.

Mayor Burgess stated that the Debt Service fund balance had increased to more than what was projected, and it was substantially above the fund balance policy.

The Finance Director explained that the Debt Service Fund had received the required allocation of the Development Tax. She stated that the \$975,000 would have actually been available for capital projects, but the County Commission decided to hold it in case the Debt Service Fund ever needed it.

Following discussion, Comm. Jernigan moved, seconded by Comm. Bullen to approve the 2010-11 Development Tax Fund with estimated revenue totaling \$1,116,000, to release the designation of \$975,000, and proposed expenditures totaling \$2,129,160.

Comm. Sandlin asked about the \$603,000 for the County Fire and Rescue Department.

Mayor Burgess advised that the \$603,000 consisted of three components with \$100,000 being used toward the construction of the new fire station, \$250,000 to pay the debt on the Salem-Blackman Volunteer Fire Department building that the county would take ownership of, and \$253,000 to take ownership of the Rutherford County Rescue Squad property. He explained that the county could either use the property or sell it.

Comm. Sandlin asked about the fund balances of the three organizations that the county would be taking over.

Mayor Burgess advised that the Rutherford Volunteer Fire Department had some funds, but he thought the funds of the other organizations would be limited. He stated that he hoped that any funds available would be put together to help pay for the building. He stated that the Rutherford Volunteer Fire Department had already purchased and paid for the property, which would become the county's property.

The Finance Director requested that the committee approve the capital projects as listed.

The Finance Director advised the committee of a new Government Accounting Standard – GASB 54. She reminded the committee that they have discussed GASB 34 and GASB 45, and now there is GASB 54. This new accounting standard changes the way fund balance is described. Heretofore, the committee has talked about fund balance as undesignated, designated, restricted, and unrestricted. She explained that the \$975,000 was an example of a designation. She advised that the terminology was changing to nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance. She explained that the Development Tax would be an example of committed fund balance, because the County Commission, through the Private Act, voted that the Development Tax would be used for debt service or capital projects. The Solid Waste Fund and the Ambulance Service Fund would be examples of assigned fund balances. She stated that typically the General Fund would be the only fund with an unassigned fund balance. She stated that the General Purpose School Fund fund balance would be an example of an assigned fund balance.

Because of the new standard, the auditors have advised that the Development Tax Fund should be closed out before June 30, 2010. She explained in the Development Tax fund, the money was collected, and then it is transferred out to the Debt Service Fund, the General Fund, and sometimes the General Capital Projects Fund. She stated that before the end of the year, when the revenue was collected, half would be receipted to the General Fund and half would be receipted to the Debt Service Fund. The Finance Director advised that she would be reporting to the committee before the end of the fiscal year as to how much money would be transferred to close out the Development Tax Fund. She explained that the money that was remaining in the Development Tax Fund would be the part that was allocated for capital. The Debt Service Fund receives its portion on a monthly basis. She explained that when the money was moved to the General Fund, it would become committed fund balance, because it was committed for capital projects.

The Finance Director advised that previously when the Development Tax revenue is transferred to the General Fund, it appears as a Transfer In. It will now be receipted into the Development Tax revenue account in the General Fund and the Development Tax revenue account in the Debt Service Fund.

The Finance Director explained that she needed the particular capital projects approved, because the \$100,000 being appropriated for the Planning Department consultant would have to be moved from the Development Tax Fund to the Planning Department's budget in the General Fund. She explained that she wanted the committee to consider the Development Tax budget the way they have always done, but that she would be revising the Planning Department's budget to include the \$100,000 for the consultant. She explained that she would be adding a Transfer to Other Funds Account in the General Fund to transfer the \$918,000 to the General Capital Projects Fund for the Communication Project and the County Fire and Rescue Department's capital expenditures. The Finance Director advised that the Development Tax Fund was the only fund that would be changed because of Statement 54.

Comm. Jernigan clarified his motion, seconded by Comm. Bullen to approve the 2010-11 Development Tax Fund with estimated revenue totaling \$1,116,000, to release the designation of \$975,000, and to approve the proposed expenditures totaling \$2,129,160 including the following projects: \$65,000 for the PAWS Building Improvements; \$160,000 for the GIS flyover; \$325,000 for the Sheriff's Department vehicles; \$315,000 for the Public Safety Communications Project; and \$603,000 for the County Fire and Rescue Department.

Comm. Sandlin asked about the \$603,000 capital project for the County Fire and Rescue Department. He stated that was not discussed in previous meetings. He stated the committee had approved some grant applications, but had not discussed the capital projects.

Mayor Burgess advised that the County Fire and Rescue Department would consist of almost \$4,000,000 in total expenditures, with the county only providing a little under \$1,000,000. He explained that the county would be receiving capital assets in excess of \$600,000.

Comm. Jordan asked what the future held for the County Fire and Rescue Department, and if the county would eventually buy out the bulk of the volunteer fire departments. He stated some of the fire departments were already located on county property.

Mayor Burgess explained that the \$603,000 would provide funding for the county to appropriate \$100,000 toward the construction of a new fire station. The remaining \$503,000 would provide funding for the county to assume the debt on two buildings.

Comm. Bullen moved, seconded by Comm. Shafer to call for the question.

The motion to call for the question passed by voice vote with Commissioner Sandlin voting "no".

The motion to approve the 2010-11 Development Tax Fund as recommended with estimated revenue totaling \$1,116,000, to release the designation of \$975,000, and to approve the proposed expenditures totaling \$2,129,160 including the following projects: \$65,000 for the PAWS Building Improvements; \$160,000 for the GIS flyover; \$325,000 for the Sheriff's Department vehicles; \$315,000 for the Public Safety Communications Project; and \$603,000 for the County Fire and Rescue Department passed by roll call vote with Comm. Sandlin voting "no".

Comm. Sandlin asked about closing out the Development Tax Fund.

The Finance Director advised that the Development Tax Fund would be closed out before June 30. She advised that this would be an accounting change, but the Development Tax would still be accounted for. She explained that the State Comptroller's Office required counties to follow Generally Accepted Government Accounting Standards.

UNFINISHED BUSINESS

JAIL:

At the meeting on May 17, the committee considered a request by the Sheriff's Department to approve a promotion for the Maintenance Supervisor.

Mayor Burgess advised that he had met with Sheriff Jones and Chief Deputy Nelson, and had agreed to upgrade the Maintenance Supervisor from a pay grade four, step two to a pay grade five, step one, which was an increase of \$2,339 on the base salary plus benefits. The following accounts were revised 101-54210-167, Maintenance Personnel, from \$91,019 to \$93,358; 101-54210-201, Social Security from \$308,900 to \$309,050; Account 101-54210-204, State Retirement, from \$628,500 to \$628,790; Account 101-54210-212, Employer Medicare, from \$72,250 to \$72,280. The total revised 2010-11 Jail budget was \$12,662,965.

Following review, Comm. Jernigan moved, seconded by Comm. Jordan to approve the 2010-11 Jail budget as revised totaling \$12,662,965. The motion passed unanimously by acclamation.

CIRCUIT COURT JUDGE:

Finance Director Lisa Nolen requested a revision to the 2010-11 Circuit Court Judges' budget advising that Account 101-53110-205, Employee Insurance needed to be increased from \$34,570 to \$46,710 due to an employee changing insurance coverage. The revised total for the 2010-11 Circuit Court Judges budget was \$255,849.

Comm. Peay moved, seconded by Comm. Jordan to approve the revision to the Circuit Court Judges' budget changing Account 101-53110-205, Employee Insurance, from \$34,570 to \$46,710 making the total appropriation of \$255,849 for the 2010-11 Circuit Court Judges budget. The motion passed unanimously by acclamation.

OTHER BUSINESS

INDIGENT FUND:

Comm. Bullen advised that he had discussed the possibility of establishing an indigent fund with Mayor Burgess and Chairman Ealy, and asked the committee to consider the same before the General Fund was finalized. He asked the committee to consider establishing an indigent fund of approximately \$10,000 that would be controlled by the mayor, the Trustee, and one commissioner elected by the County Commission. He advised that those mentioned to oversee the fund would be charged with establishing guidelines for the use of the funds, which would apply only to Rutherford County citizens. He explained the mayor sees a wide range of problems that other agencies and churches are not meeting. He stated that the use of the fund would be restricted to very few cases. He suggested that the funds not be used for the payment of taxes, mortgages, or food, but could only be used for dire situations.

Mayor Burgess advised of one situation where an individual came to his office in severe pain needing some teeth extracted. He advised that he paid for the extraction of two teeth. Another gentleman's wife died, and he had no funds and no other resources. The wife was still at the hospital and deceased, but the gentleman had no way to bury the person. He stated that the deceased person was cremated. He stated that it might be 10 years before something like this happened again.

Comm. Bullen stated that he was proposing that strict guidelines be written to take care of dire situations and unique situations. He stated that the money might not be used every year, but he asked the committee to consider the proposal and that this issue be placed on the agenda before the budget was finalized.

ADJOURNMENT:

Chairman Ealy reminded the committee that the next meeting would be Thursday, May 20 at 5:30 P.M.

There being no further business to be presented at this time. Chairman Ealy declared the meeting adjourned at 7:30 P.M.

Elaine Short, Secretary